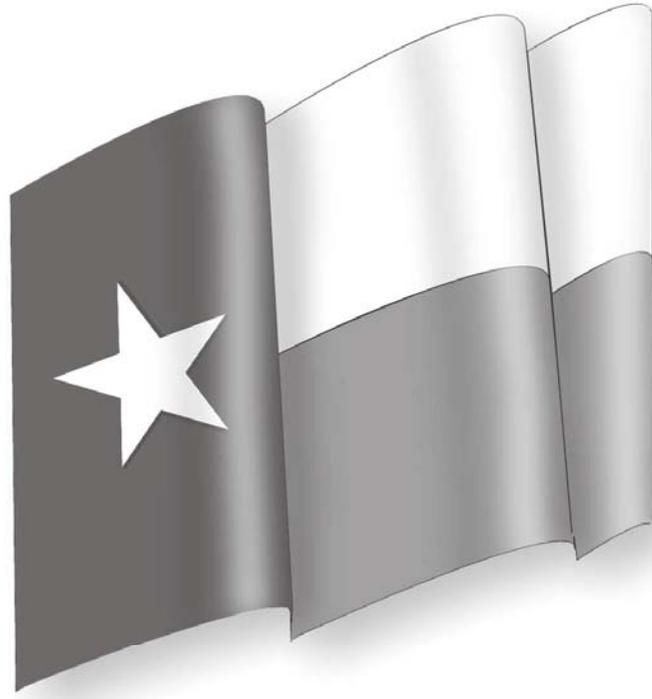


*Summary of Sunset
Commission Recommendations*



Texas Historical Commission

February 2007





Texas Historical Commission

Agency at a Glance

The Texas Historical Commission is the state agency for historic preservation. The Legislature originally created the Texas State Historical Survey Committee in 1953 to identify important historic sites across the state, later expanding its role to include protecting and preserving the state’s heritage. In 1969, the Legislature created the Texas Antiquities Committee to protect all cultural resources, historic and prehistoric, on public land in Texas. Today, these two missions are combined in the renamed Texas Historical Commission (THC), whose mission is to protect and preserve Texas’ unique historic resources. THC also acts as the State Historic Preservation Office for Texas, implementing federally mandated historic preservation programs. To accomplish its mission, THC:

- ◆ identifies and designates historic resources in Texas;
- ◆ reviews proposed projects to help protect historic resources on public and private land;
- ◆ provides financial and educational assistance to communities and organizations for developing and preserving historic resources; and
- ◆ acts as a steward to preserve and interpret historic resources entrusted to the State’s care.



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Key Facts

- ◆ **Funding.** In fiscal year 2006, the agency operated with a budget of \$10.7 million, funded through bonds, general revenue, interagency transfers, and federal funds. The largest expenditure was about \$4.65 million in salaries.
- ◆ **Staffing.** The Commission employs 109.5 staff, mostly in its Austin headquarters. Four employees also run the Sam Rayburn House Museum in Bonham, and 13 employees operate the National Museum of the Pacific War in Fredericksburg.
- ◆ **Grants.** In fiscal year 2006, THC awarded just over \$3 million in grants to communities, owners of historic properties, and historic preservation education and training initiatives to support the preservation and promotion of Texas’ historic resources.
- ◆ **Historical Markers and Designations.** THC identifies and designates many types of historic properties. Among these, THC has helped individuals and organizations mark more than 13,000 significant sites with Official Texas Historical Markers, and assisted citizens in preparing more than 3,000 nominations to the National Register of Historic Places.
- ◆ **Review of Proposed Projects.** THC works to protect important historic resources on public land by reviewing proposed construction projects to ensure that they do not negatively affect those resources. In fiscal year 2006, THC reviewed more than 10,000 federal projects, as required by Section 106 of the National Historic Preservation Act of 1966. The agency also completed about 3,500 Antiquities Code reviews on state-held land, as required by state law.

- ◆ **Texas Main Street Cities.** THC has many programs to help local communities and organizations further preservation goals on the local level. The Texas Main Street Program, the most recognizable of these programs, has helped 155 cities revitalize their historic downtowns.

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Agency Head

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Recommendations

1. Require the Texas Historical Commission to adopt rules governing the relationship between the agency and its associated nonprofit corporation.
2. Require THC to create a statewide strategy for awarding historical markers.
3. Continue THC for 12 years, and direct the agency to evaluate and prioritize its many programs.

Issue 1

THC Benefits From the Support of Its Associated Nonprofit Corporation, but Clarifying Each Entity's Role Would Help Guard Against Any Potential Conflicts of Interest.

Key Findings

- ◆ Partnerships between state agencies and associated nonprofit organizations can benefit the State.
- ◆ The agency's relationship with Friends of the Texas Historical Commission has effectively advanced historic preservation in Texas.
- ◆ Some THC staff are inappropriately involved in Friends fundraising initiatives.
- ◆ THC provides a significant level of financial and staff support to run the Friends corporation.
- ◆ THC lacks clear guidelines for prioritizing projects most in need of Friends funding.

The Texas Historical Commission has partnered with an associated nonprofit corporation, Friends of the Texas Historical Commission, Inc. (Friends), to provide funding and support for preservation projects beyond the means of the agency's state and federal funding. While often beneficial, such relationships can also create risks and agencies should minimize these risks.

Recommendations

Change in Statute

1.1 Require THC to adopt rules governing the relationship between the agency and any affiliated nonprofit organization.

This recommendation would ensure that THC defines the relationship between the agency and any affiliated nonprofit organization, eliminating any appearance of improper conduct or conflict of interest. To best define this partnership, these rules should take into account applicable accepted best practices and standards, as well as ensure full THC compliance with Government Code sections requiring such rules to address agency staff roles in relation to the nonprofit organization and funds. These changes would help ensure that the agency and the nonprofit understand the appropriate conduct for state employees regarding affiliated nonprofit organizations, which does not include soliciting funds in agency publications and fundraising by employees with regulatory responsibilities.

1.2 Prohibit the THC Executive Director from serving as a voting member of the board of any affiliated nonprofit organization.

This recommendation would align THC's practices with accepted standards for the relationship between state agencies and closely associated nonprofit entities by statutorily prohibiting the Executive Director's participation as a voting member of an affiliated nonprofit board. Because the Executive Director will always inherently have regulatory duties as the head of the agency, the Executive Director should not vote on fundraising priorities at the supporting nonprofit corporation. This change would not prohibit the THC Executive Director from serving as an ex officio, nonvoting member of such a board.

1.3 Require THC to establish guidelines that will identify and define the type of administrative and financial support the agency should give to the nonprofit organization Friends of the Texas Historical Commission.

To clarify the agency's role in supporting its associated nonprofit corporation, this recommendation would require the agency to set guidelines governing the specific type of administrative and financial support the agency gives to its nonprofit organization. These guidelines should cover cash, fundraising, and in-kind support of the nonprofit.

Management Action

1.4 Direct THC to establish a clear and open process to prioritize projects for financial assistance from Friends.

THC, as an agency rather than on the division level, should create a process by which projects and initiatives are consistently reviewed for prioritization for Friends funding. The agency should examine whether Friends funding would be most useful for supporting large projects aligning directly with the agency's goals and mission, or if the extra resources of Friends might be better directed toward some of the agency's newer and less critical initiatives. This would introduce a strategic element into THC's use of Friends funding, allowing the agency to maximize the benefit of its supporting organization.

Issue 2

THC Lacks a Statewide Strategy for Recognizing Resources in the Historical Marker Program, Limiting the Program's Effectiveness as an Educational and Tourism Tool.

Key Findings

- ◆ THC recognizes important historic resources with markers to educate people about Texas history and encourage tourism.
- ◆ While the program successfully identifies many historic resources, its lack of focus on the broader stories of statewide significance limits its effectiveness as an educational and tourism tool.
- ◆ Some County Historical Commissions lack the capacity to effectively research and evaluate historic resources appropriate for an official marker.
- ◆ THC charges a fee to pay for marker hardware, but does not assess an application fee to recover the agency's application review costs.

The Texas Historical Commission recognizes historically significant resources with Official Texas Historical Markers for educational and tourism purposes. While the agency has successfully identified many historic resources, it could benefit from taking a more strategic approach. The growing number of markers in the state – 13,000 – could eventually lessen each marker's individual significance. By relying almost exclusively on the public to identify important resources, the agency could be missing important aspects of Texas history. Additionally, some County Historical Commissions (CHCs) lack the capacity to effectively evaluate historic resources appropriate for an official marker. Finally, while THC charges for the marker hardware once approved, the agency does not charge a marker application fee.

Recommendations

Change in Statute

2.1 Require THC to approach the marker program more strategically by awarding a more limited number of markers based on statewide themes and significance.

This recommendation would ensure a more strategic approach to how THC awards historical markers, requiring THC to develop statewide themes for the marker program, linked to the agency's broader preservation plan for Texas. THC could continue to award markers for resources that are significant locally, but that fit into the overall themes identified by the agency. After the agency awards markers to resources that are linked to the statewide theme, to the extent that the agency has not met its annual limit, it could then award markers to resources that tell unrelated local stories.

Approaching the marker program more strategically would help link this tool to THC's broader goals, particularly in the areas of education and tourism. By limiting the total number of markers, and awarding them based on statewide themes and significance, THC would ensure that markers remained more of an honor than a commodity.

Management Action

2.2 Direct the agency to help build the capacity of County Historical Commissions to more effectively research and evaluate resources appropriate for official historical markers.

To build local capacity, THC should provide training and educational materials to help County Historical Commissions and communities in effectively researching, documenting, and evaluating the historical significance of resources appropriate for official markers. The agency should make this information available on its website and through workshops targeted at more directly assisting CHCs with the greatest need.

Local communities, with access to local resources and greater knowledge of local history, are well-placed to be an effective partner to THC in the marker program. Improved county-level evaluations should enable THC to spend less time assisting applicants in researching local history, and more time developing statewide stories to tell through the marker program.

2.3 Direct THC to establish an application fee for historical markers.

This recommendation would direct THC to use its existing statutory authority to establish a reasonable fee to be submitted with historical marker applications. In developing the fee amount, the agency should consider the approximate amount of time staff needs to evaluate each marker application. The money brought in through application fees should be directed back into the agency's historical marker program.

Issue 3

Texas Has a Continuing Need for the Texas Historical Commission.

Key Findings

- ◆ Texas has a clear and continuing interest in protecting and preserving important historic resources.

- ◆ THC has been successful in leading efforts to identify, protect, and preserve historic resources in Texas, but could benefit from clearer prioritization of its many programs.
- ◆ While other state agencies perform functions that deal with cultural resources, consolidation offers no significant benefits over the current structure.

The Texas Historical Commission's responsibilities to protect and preserve historic resources in the state continue to be important to Texas. Beyond the necessity of preserving Texas' history for current and future generations, THC's preservation efforts also help local communities, fostering economic development in the state. Additionally, THC fulfills federal preservation requirements delegated to the State under the National Historic Preservation Act of 1966. Finally, although THC is generally successful and should be continued for 12 years, the agency should evaluate and prioritize its many activities to more effectively lead efforts to preserve history in Texas.

Recommendations

Change in Statute

3.1 Continue the Texas Historical Commission for 12 years.

This recommendation would continue THC as an independent agency for 12 years.

Management Action

3.2 Direct THC staff to evaluate and prioritize its many programs and initiatives, linking them back to the agency's most important goals.

This recommendation would instruct THC staff to evaluate and prioritize its programs and initiatives to better guide the agency's preservation efforts. In doing so, the agency should consider how each program and initiative relates to the agency's most important goals, and which programs should take priority within the context of those goals. The agency should examine the importance of each program and assign agency resources accordingly.

Fiscal Implication Summary _____

None of the recommendations concerning the Texas Historical Commission would have a net fiscal impact to the State.